

AN ORDINANCE

98873

AUTHORIZING A PROFESSIONAL SERVICES AGREEMENT WITH KPMG, L.L.P., ON TERMS OTHERWISE CONSISTENT WITH THE GENERAL TERMS AND CONDITIONS OF THE CITY'S EXISTING AUDIT SERVICES CONTRACT WITH KPMG, L.L.P., DATED NOVEMBER 21, 2002 IN AN AMOUNT NOT TO EXCEED \$138,700.00, PER QUARTER, INCLUDING \$127,200.00 FOR FEES AND \$11,500.00 FOR REASONABLE AND PROPER OUT-OF-POCKET EXPENSES, FOR ON-GOING PERFORMANCE AUDIT ACTIVITIES OF THE ENTERPRISE RESOURCE MANAGEMENT (ERM) PROJECT STARTING FEBRUARY 20, 2004 AND CONTINUING THROUGH DECEMBER 2004, FOR A TOTAL AMOUNT NOT TO EXCEED \$554,800.00; APPROPRIATING FUNDS; AND PROVIDING FOR PAYMENT.

* * * * *

WHEREAS, on September 26, 2002, the City Council passed Ordinance 96458 approving contracts with the firms KPMG, L.L.P., Leal and Carter, P.C., and Robert J. Williams, CPA, to provide the City of San Antonio with independent audit services; and

WHEREAS, Section 18.1 of the Audit Services Contracts allows for an amendment to the terms of the contracts, so long as the amendments are in writing and approved by the City of San Antonio City Council; and

WHEREAS, on June 26, 2003, the City Council passed Ordinance 97885 authorizing the execution of an amendment to the Audit Services Contract with KPMG, L.L.P., for a performance audit of the Enterprise Resource Management (ERM) Project; and

WHEREAS, on August 6, 2003, KPMG, L.L.P., completed this performance audit of the ERM Project; and

WHEREAS, on December 18, 2003, the City Internal Auditor recommended to the City Council Governance Committee that the City engage KPMG, L.L.P. to conduct on-going quarterly performance audits of the ERM Project; and

WHEREAS, in order to effect an amendment to the Audit Services Contract, the City Internal Auditor, or her designee, will execute an engagement letter with KPMG, L.L.P., specifying the scope of said services to be provided, the period of time within which said services are to be completed, and the amount of payment for said services; and

WHEREAS, this engagement will not impair or affect the ability of KPMG, L.L.P., Leal and Carter, P.C., or Robert J. Williams, CPA, to perform and complete the City's annual financial audit as provided in for in each of the Audit Services Contracts; and

WHEREAS, it is now necessary to authorize the execution of an amendment to the Audit Services Contract with KPMG, L.L.P., for on-going performance audit activities of the Enterprise Resource Management (ERM) project starting February 20, 2004 and continuing through December 2004; **NOW THEREFORE:**

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. The City Internal Auditor, or her designee, is hereby authorized to execute an amendment to the Audit Services Contract, subject to the terms and conditions of said Audit Services Contract, approved by Ordinance 96458, with KPMG, L.L.P., to provide quarterly performance audits of the Enterprise Resource Management (ERM) project in accordance with Section 18.1 of the Audit Services Contract, beginning February 20, 2004 and continuing through December 2004, in a total amount not to exceed \$554,800.00. A copy of the engagement letter amending the Audit Services Contract with KPMG, L.L.P., in substantial final form, is attached hereto as Exhibit I.

SECTION 2. The budget in Fund 11-000000 (General Fund) in Index Code 413005, entitled "Regular Salaries and Wages," is authorized for reduction by \$554,800.00.

SECTION 3. Funds in the amount of \$554,800.00 are authorized to be appropriated and encumbered in Fund 11-000000 (General Fund) in Index Code 413195, entitled "Fees to Professional Contractors," and are made payable to KPMG, L.L.P.

SECTION 4. The financial allocations in this Ordinance are subject to approval by the Director of Finance, City of San Antonio. The Director, may, subject to concurrence by the City Manager or her designee, correct allocations to specific Index Codes and Fund Numbers as necessary to carry out the purpose of this Ordinance.

SECTION 5. This ordinance shall take effect on the tenth day from the date of passage hereof.

PASSED AND APPROVED this 19th day of February, 2004.


M A Y O R
EDWARD D. GARZA

ATTEST: 
City Clerk

APPROVED AS TO FORM: 
City Attorney